

STATE OF CALIFORNIA
DEPARTMENT OF MANAGED HEALTH CARE
HEALTH CARE SERVICE PLAN

1

QUARTERLY FINANCIAL REPORTING FORM

		1
1.	FOR THE QUARTER ENDING:	September 30, 2002
2.	Name:	Liberty Dental Plan of California Inc.
3.	File Number:(Enter last three digits) 933-0	052
4.	Date Incorporated or Organized:	March 8, 1976
5.	Date Licensed as a HCSP:	August 3, 1978
6.	Date Federally Qualified as a HCSP:	
7.	Date Commenced Operation:	3/8/1976
8.	Mailing Address:	3636 Birch Street, Suite 250 Newport Beach, CA 92660
9.	Address of Main Administrative Office:	3636 Birch Street, Suite 250 Newport Beach, CA 92660
10.	Telephone Number:	949-223-0007
11.	HCSP's ID Number:	95-3031770
12.	Principal Location of Books and Records:	3636 Birch Street, Suite 250 Newport Beach, CA 92660
13.	Plan Contact Person and Phone Number:	Richard Herrera 949-223-0007 ext. 204
14.	Financial Reporting Contact Person and Phone Number:	Ronly Ferguson 949-223-0007 ext. 207
15.	President:*	Amir Neshat DDS
16.	Secretary:*	
17.	Chief Financial Officer:*	
18.	Other Officers:*	Arash Aghakhani DDS, Ms
19.		
20.		
21.		
22.	Directors:*	Richard Herrera
23.		Jason Park
24.		
25.		
26.		
27.		
28.		
29.		
30.		
31.		

The officers listed on lines 15 through 17 of the health care service plan noted on line 2, being duly sworn, each for himself or herself, deposes and says that they are the officers of the said health care service plan, and that, for the reporting period stated above, all of the herein assets were the absolute property of the said health care service plan, free and clear from any liens or claims thereon, except as herein stated, and that these financial statements, together with related exhibits, schedules and explanations therein contained, annexed or referred to, is a full and true statement of all the assets and liabilities and of the condition and affairs of the said health care service plan as of the reporting period stated above, and of its income and deductions therefrom for the period reported, according to the best of their information, knowledge and belief, respectively.

32. President	Amir Neshat DDS
33. Secretary	SIGNATURE
34. Chief Financial Officer	SIGNATURE
* Show full name (initials not accepted) and indicate by sign (#) those officers and directors who did not occupy the indicated position in the previous statement.	
35. Check if this is a revised filing:	<input type="checkbox"/>
36. If all dollar amounts are reported in thousands (000), check here	<input type="checkbox"/>

Check My Work.

**STATE OF CALIFORNIA
DEPARTMENT OF MANAGED HEALTH CARE
HEALTH CARE SERVICE PLAN**

QUARTERLY FINANCIAL REPORTING FORM

SUPPLEMENTAL INFORMATION

		1
1.	Are footnote disclosures attached with this filing?	Yes <input type="button" value="▼"/>
2.	Is the attached reporting form filed on a consolidated or combined basis? If "Yes", the plan is required to file consolidating or combining schedules.	No <input type="button" value="▼"/>
3.	Is the plan required to file additional information (i.e. parent/affiliate financial statements, claims reports, etc.) that is required by the Department?	No <input type="button" value="▼"/>
4.	Have the Restricted Assets changed from the previous quarterly filing? If "yes", complete Schedule A-2 (Restricted Assets).	Yes <input type="button" value="▼"/>
5.	Are there any significant changes reported on Schedule G, Section III?	No <input type="button" value="▼"/>
6.	If "yes", describe:	

STATEMENT AS OF 9-30-2002 OF 933-0052 Liberty Dental Plan of California Inc.

REPORT #1 ---- PART A: ASSETS

1	2
CURRENT ASSETS:	Current Period
1. Cash and Cash Equivalents	20,872
2. Short-Term Investments	
3. Premiums Receivable - Net	29,522
4. Interest Receivable	171
5. Shared Risk Receivables - Net	
6. Other Health Care Receivables - Net	
7. Prepaid Expenses	1,857
8. Secured Affiliate Receivables - Current	
9. Unsecured Affiliate Receivables - Current	
10. Aggregate Write-Ins for Current Assets	3,280
11. TOTAL CURRENT ASSETS (Items 1 to 10)	55,702
OTHER ASSETS:	
12. Restricted Assets	50,000
13. Long-Term Investments	
14. Intangible Assets and Goodwill - Net	245,985
15. Secured Affiliate Receivables - Long-Term	
16. Unsecured Affiliate Receivables - Past Due	
17. Aggregate Write-Ins for Other Assets	4,028
18. TOTAL OTHER ASSETS (Items 12 to 17)	300,013
PROPERTY AND EQUIPMENT	
19. Land, Building and Improvements	
20. Furniture and Equipment - Net	22,321
21. Computer Equipment - Net	67,826
22. Leasehold Improvements -Net	
23. Construction in Progress	
24. Software Development Costs	
25. Aggregate Write-Ins for Other Equipment	54,854
26. TOTAL PROPERTY AND EQUIPMENT (Items 19 to 25)	145,001
27. TOTAL ASSETS	500,716
DETAILS OF WRITE-INS AGGREGATED AT ITEM 10 FOR CURRENT ASSETS	
1001. Supplies	1,200
1002. Prepaid DMHC Fees	2,080
1003. Rental Income Receivable	
1004.	
1098. Summary of remaining write-ins for Item 10 from overflow page	
1099. TOTALS (Items 1001 thru 1004 plus 1098)	3,280
DETAILS OF WRITE-INS AGGREGATED AT ITEM 17 FOR OTHER ASSETS	
1701. Deposits	4,028
1702.	
1703.	
1704.	
1798. Summary of remaining write-ins for Item 17 from overflow page	
1799. TOTALS (Items 1701 thru 1704 plus 1798)	4,028
DETAILS OF WRITE-INS AGGREGATED AT ITEM 25 FOR OTHER EQUIPMENT	
2501. Computer Software-Net	54,854
2502.	
2503.	
2504.	
2598. Summary of remaining write-ins for Item 25 from overflow page	
2599. TOTALS (Items 2501 thru 2504 plus 2598)	54,854

STATEMENT AS OF 9-30-2002 OF 933-0052 Liberty Dental Plan of California Inc.

REPORT #1 ---- PART B: LIABILITIES AND NET WORTH

1	2	3	4
CURRENT LIABILITIES:	Current Period		
	Contracting	Non-Contracting	Total
1. Trade Accounts Payable		XXX	0
2. Capitation Payable	12,888	XXX	12,888
3. Claims Payable (Reported)	810		810
4. Incurred But Not Reported Claims	4,056		4,056
5. POS Claims Payable (Reported)			0
6. POS Incurred But Not Reported Claims			0
7. Other Medical Liability			0
8. Unearned Premiums	17,428	XXX	17,428
9. Loans and Notes Payable		XXX	0
10. Amounts Due To Affiliates - Current		XXX	0
11. Aggregate Write-Ins for Current Liabilities	38,302	0	38,302
12. TOTAL CURRENT LIABILITIES (Items 1 to 11)	73,484	0	73,484
OTHER LIABILITIES:			
13. Loans and Notes Payable (Not Subordinated)		XXX	0
14. Loans and Notes Payable (Subordinated)		XXX	0
15. Accrued Subordinated Interest Payable		XXX	0
16. Amounts Due To Affiliates - Long Term		XXX	0
17. Aggregate Write-Ins for Other Liabilities	0	XXX	0
18. TOTAL OTHER LIABILITIES (Items 13 to 17)	0	XXX	0
19. TOTAL LIABILITIES	73,484	0	73,484
NET WORTH			
20. Common Stock	XXX	XXX	
21. Preferred Stock	XXX	XXX	
22. Paid In Surplus	XXX	XXX	509,483
23. Contributed Capital	XXX	XXX	
24. Retained Earnings (Deficit)/Fund Balance	XXX	XXX	-82,251
25. Aggregate Write-Ins for Other Net Worth Items	XXX	XXX	0
26. TOTAL NET WORTH (Items 20 to 25)	XXX	XXX	427,232
27. TOTAL LIABILITIES AND NET WORTH	XXX	XXX	500,716
DETAILS OF WRITE-INS AGGREGATED AT ITEM 11 FOR CURRENT LIABILITIES			
1101. Commissions Payable	5,698		5,698
1102. Compensation Payable	15,332		15,332
1103. Administrative Expense Payable	3,143		3,143
1104. Newport Coast Payable	14,129		14,129
1198. Summary of remaining write-ins for Item 11 from overflow page			0
1199. TOTALS (Items 1101 thru 1104 plus 1198)	38,302	0	38,302
DETAILS OF WRITE-INS AGGREGATED AT ITEM 17 FOR OTHER LIABILITIES			
1701.		XXX	0
1702.		XXX	0
1703.		XXX	0
1704.		XXX	0
1798. Summary of remaining write-ins for Item 17 from overflow page		XXX	0
1799. TOTALS (Items 1701 thru 1704 plus 1798)	0	XXX	0
DETAILS OF WRITE-INS AGGREGATED AT ITEM 25 FOR OTHER NET WORTH ITEMS			
2501.	XXX	XXX	
2502.	XXX	XXX	
2503.	XXX	XXX	
2504.	XXX	XXX	
2598. Summary of remaining write-ins for Item 25 from overflow page	XXX	XXX	
2599. TOTALS (Items 2501 thru 2504 plus 2598)	XXX	XXX	0

STATEMENT AS OF 9-30-2002 OF 933-0052 Liberty Dental Plan of California Inc.

REPORT #2: REVENUE, EXPENSES AND NET WORTH

	1	2
	Current Period	Year-To-Date
REVENUES:		
1. Premiums (Commercial)	117,202	117,202
2. Capitation		
3. Co-payments, COB, Subrogation		
4. Title XVIII - Medicare		
5. Title XIX - Medicaid		
6. Fee-For-Service		
7. Point-Of-Service (POS)		
8. Interest	348	348
9. Risk Pool Revenue		
10. Aggregate Write-Ins for Other Revenues	2,798	2,798
11. TOTAL REVENUE (Items 1 to 10)	120,348	120,348
EXPENSES:		
Medical and Hospital		
12. Inpatient Services - Capitated		
13. Inpatient Services - Per Diem		
14. Inpatient Services - Fee-For-Service/Case Rate		
15. Primary Professional Services - Capitated	19,706	19,706
16. Primary Professional Services - Non-Capitated	10,131	10,131
17. Other Medical Professional Services - Capitated		
18. Other Medical Professional Services - Non-Capitated		
19. Non-Contracted Emergency Room and Out-of-Area Expense, not including POS		
20. POS Out-Of-Network Expense		
21. Pharmacy Expense - Capitated		
22. Pharmacy Expense - Fee-for-Service		
23. Aggregate Write-Ins for Other Medical and Hospital Expenses	0	0
24. TOTAL MEDICAL AND HOSPITAL (Items 12 to 23)	29,837	29,837
Administration		
25. Compensation	60,050	60,050
26. Interest Expense		
27. Occupancy, Depreciation and Amortization	23,454	23,454
28. Management Fees		
29. Marketing	11,030	11,030
30. Affiliate Administration Services		
31. Aggregate Write-Ins for Other Administration	30,031	30,031
32. TOTAL ADMINISTRATION (Items 25 to 31)	124,565	124,565
33. TOTAL EXPENSES	154,402	154,402
34. INCOME (LOSS)	-34,054	-34,054
35. Extraordinary Item		
36. Provision for Taxes		
37. NET INCOME (LOSS)	-34,054	-34,054
NET WORTH:		
38. Net Worth Beginning of Period	411,286	411,286
39. Audit Adjustments		
40. Increase (Decrease) in Common Stock		
41. Increase (Decrease) in Preferred Stock		
42. Increase (Decrease) in Paid in Surplus	50,000	50,000
43. Increase (Decrease) in Contributed Capital		
44. Increase (Decrease) in Retained Earnings:		
45. Net Income (Loss)	-34,054	-34,054
46. Dividends to Stockholders		
47. Aggregate Write-Ins for Changes in Retained Earnings	0	0
48. Aggregate Write-Ins for Changes in Other Net Worth Items	0	0
49. NET WORTH END OF PERIOD (Items 38 to 48)	427,232	427,232

STATEMENT AS OF 9-30-2002 OF 933-0052 Liberty Dental Plan of California Inc.

REPORT #2: REVENUE, EXPENSES AND NET WORTH

1	2	3
	Current Period	Year-to-Date
DETAILS OF WRITE-INS AGGREGATED AT ITEM 10 FOR OTHER REVENUES		
1001. Rental Income	3,300	3,300
1002. Premium Refunds	-502	-502
1003.		
1004.		
1005.		
1006.		
1098. Summary of remaining write-ins for Item 10 from overflow page		
1099. TOTALS (Items 1001 thru 1006 plus 1098)	2,798	2,798
DETAILS OF WRITE-INS AGGREGATED AT ITEM 23 FOR OTHER MEDICAL AND HOSPITAL EXPENSES		
2301.		
2302.		
2303.		
2304.		
2305.		
2306.		
2398. Summary of remaining write-ins for Item 23 from overflow page		
2399. TOTALS (Items 2301 thru 2306 plus 2398)	0	0
DETAILS OF WRITE-INS AGGREGATED AT ITEM 31 FOR OTHER ADMINISTRATIVE EXPENSES		
3101. Printing	81	81
3102. Advertising and Promotion	2,769	2,769
3103. Travel and Business	2,478	2,478
3104. Repairs/Maintenance	85	85
3105. Postage	2,094	2,094
3106. Telephone	4,377	4,377
3198. Summary of remaining write-ins for Item 31 from overflow page	18,147	18,147
3199. TOTALS (Items 3101 thru 3106 plus 3198)	30,031	30,031
DETAILS OF WRITE-INS AGGREGATED AT ITEM 47 FOR CHANGES IN RETAINED EARNINGS		
4701.		
4702.		
4703.		
4704.		
4705.		
4706.		
4798. Summary of remaining write-ins for Item 47 from overflow page		
4799. TOTALS (Items 4701 thru 4706 plus 4798)	0	0
DETAILS OF WRITE-INS AGGREGATED AT ITEM 48 FOR CHANGES OF OTHER NET WORTH ITEMS		
4801.		
4802.		
4803.		
4804.		
4805.		
4806.		
4898. Summary of remaining write-ins for Item 48 from overflow page		
4899. TOTALS (Items 4801 thru 4806 plus 4898)	0	0

REPORT #3: STATEMENT OF CASH FLOWS (Direct Method)

1	2	3
	Current Period	Year-to-Date
CASH FLOW PROVIDED BY OPERATING ACTIVITIES		
1. Group/Individual Premiums/Capitation	117,202	117,202
2. Fee-For-Service		
3. Title XVIII - Medicare Premiums		
4. Title XIX - Medicaid Premiums		
5. Investment and Other Revenues	2,969	2,969
6. Co-Payments, COB and Subrogation		
7. Medical and Hospital Expenses	-26,882	-26,882
8. Administration Expenses	-78,770	-78,770
9. Federal Income Taxes Paid		
10. Interest Paid	177	177
11. NET CASH PROVIDED BY OPERATING ACTIVITIES	14,696	14,696
CASH FLOW PROVIDED BY INVESTING ACTIVITIES		
12. Proceeds from Restricted Cash and Other Assets		
13. Proceeds from Investments		
14. Proceeds for Sales of Property, Plant and Equipment		
15. Payments for Restricted Cash and Other Assets	-50,000	-50,000
16. Payments for Investments		
17. Payments for Property, Plant and Equipment		
18. NET CASH PROVIDED BY INVESTING ACTIVITIES	-50,000	-50,000
CASH FLOW PROVIDED BY FINANCING ACTIVITIES:		
19. Proceeds from Paid in Capital or Issuance of Stock	50,000	50,000
20. Loan Proceeds from Non-Affiliates		
21. Loan Proceeds from Affiliates		
22. Principal Payments on Loans from Non-Affiliates		
23. Principal Payments on Loans from Affiliates		
24. Dividends Paid		
25. Aggregate Write-Ins for Cash Provided by Financing Activities	0	0
26. NET CASH PROVIDED BY FINANCING ACTIVITIES	50,000	50,000
27. NET INCREASE (DECREASE) IN CASH (Items 11, 18 & 26)	14,696	14,696
28. CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE QUARTER	6,176	6,176
29. CASH AND CASH EQUIVALENTS AT THE END OF THE QUARTER	20,872	20,872
RECONCILIATION OF NET INCOME TO NET CASH PROVIDED BY OPERATING ACTIVITIES:		
30. Net Income	-34,054	-34,054
Adjustments to Reconcile Net Income to Net Cash Provided by Operating Activities		
31. Depreciation and Amortization	10,978	10,978
32. Decrease (Increase) in Receivables	3,349	3,349
33. Decrease (Increase) in Prepaid Expenses	-505	-505
34. Decrease (Increase) in Affiliate Receivables		
35. Increase (Decrease) in Accounts Payable	15,355	15,355
36. Increase (Decrease) in Claims Payable and Shared Risk Pool	3,117	3,117
37. Increase (Decrease) in Unearned Premium	14,475	14,475
38. Aggregate Write-Ins for Adjustments to Net Income	1,981	1,981
39. TOTAL ADJUSTMENTS (Items 31 through 38)	48,750	48,750
40. NET CASH PROVIDED BY OPERATING ACTIVITIES (Item 30 adjusted by Item 39 must agree to Item 11)	14,696	14,696
DETAILS OF WRITE-INS AGGREGATED AT ITEM 25 FOR CASH FLOW PROVIDED BY FINANCING ACTIVITIES		
2501.		
2502.		
2503.		
2598. Summary of remaining write-ins for Item 25 from overflow page		
2599. TOTALS (Items 2501 thru 2503 plus 2598)	0	0
DETAILS OF WRITE-INS AGGREGATED AT ITEM 38 FOR ADJUSTMENTS TO NET INCOME		
3801. Increase (Decrease) in Capitation Payable	-162	-162
3802. Increase (Decrease) in Commissions Payable	1,276	1,276
3803. Increase (Decrease) in Compensation Payable	867	867
3898. Summary of remaining write-ins for Item 38 from overflow page		
3899. TOTALS (Items 3801 thru 3803 plus 3898)	1,981	1,981

REPORT #3: STATEMENT OF CASH FLOWS (Indirect Method)

	1	2
	Current Period	Year-to-Date
CASH FLOWS FROM OPERATING ACTIVITIES:		
1. Net Income (Loss)	-34,054	-34,054
ADJUSTMENTS TO RECONCILE NET INCOME (LOSS) TO NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES:		
2. Depreciation and Amortization		
3. Unrealized Gains/Losses on Equity Securities		
4. Gain/Loss on Sale of Assets		
5. Deferred Income Taxes		
CHANGE IN OPERATING ASSETS AND LIABILITIES		
(Increase) Decrease in Operating Assets:		
6. Receivables		
7. Prepaid Expenses		
8. Affiliate Receivables		
9. Aggregate write-ins for (increase) decrease in operating assets	0	0
Increase (Decrease) in Operating Liabilities:		
10. Trade Accounts Payable		
11. Capitation Payable		
12. Claims Payable and IBNR		
13. Other Medical Liability		
14. Unearned Premiums		
15. Affiliate Payables		
16. Aggregate write-ins for increase (decrease) in operating liabilities	0	0
17. NET CASH PROVIDED (USED) IN OPERATING ACTIVITIES	-34,054	-34,054
CASH FLOW FROM INVESTING ACTIVITIES		
18. Proceeds from Restricted Cash and Other Assets		
19. Proceeds from Investments		
20. Proceeds for Sales of Property, Plant, and Equipment		
21. Payments for Restricted Cash and Other Assets		
22. Payments for Investments		
23. Payments for Property, Plant, and Equipment		
24. Aggregate write-ins for cash flow provided by investing activities	0	0
25. NET CASH PROVIDED (USED) IN INVESTING ACTIVITIES	0	0
CASH FLOW FROM FINANCING ACTIVITIES		
26. Proceeds from Paid-in-Capital or Issuance of Stock		
27. Loan Proceeds from Non-Affiliates		
28. Loan Proceeds from Affiliates		
29. Principal Payments on Loans from Non-Affiliates		
30. Principal Payments on Loans from Affiliates		
31. Dividends Paid		
32. Principal Payments under lease obligations		
33. Aggregate write-ins for cash flow provided by financing activities	0	0
34. NET CASH PROVIDED (USED) IN FINANCING ACTIVITIES	0	0
35. NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS	-34,054	-34,054
36. CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE QUARTER		
37. CASH AND CASH EQUIVALENTS AT THE END OF THE QUARTER	-34,054	-34,054

REPORT #3: STATEMENT OF CASH FLOWS (Indirect Method)

1	2	3
	Current Period	Year-to-Date
DETAILS OF WRITE-INS AGGREGATED AT ITEM 9 FOR (INCREASE) DECREASE IN OPERATING ASSETS		
901.		
902.		
903.		
998. Summary of remaining write-ins for Item 9 from overflow page		
999. TOTALS (Items 901 thru 903 plus 998)	0	0
DETAILS OF WRITE-INS AGGREGATED AT ITEM 16 FOR INCREASE (DECREASE) IN OPERATING LIABILITIES		
1601.		
1602.		
1603.		
1698. Summary of remaining write-ins for Item 16 from overflow page		
1699. TOTALS (Items 1601 thru 1603 plus 1698)	0	0
DETAILS OF WRITE-INS AGGREGATED AT ITEM 24 FOR CASH FLOW PROVIDED BY INVESTING ACTIVITIES		
2401.		
2402.		
2403.		
2498. Summary of remaining write-ins for Item 24 from overflow page		
2499. TOTALS (Items 2401 thru 2403 plus 2498)	0	0
DETAILS OF WRITE-INS AGGREGATED AT ITEM 33 FOR CASH FLOW PROVIDED BY FINANCING ACTIVITIES		
3301.		
3302.		
3303.		
3398. Summary of remaining write-ins for Item 33 from overflow page		
3399. TOTALS (Items 3301 thru 3303 plus 3398)	0	0

TOTAL ENROLLMENT

[illegible]

SCHEDULE A-1 (CASH)

1	2	3
Name of Depository (List all accounts even if closed during the period)	Account Number	Balance*
1. Wells Fargo Bank	201-8674812	15,581
2. California Bank Trust	35-100177-11	5,291
3.		
4.		
5.		
6.		
7.		
8.		
9. Total Cash on Deposit		20,872
10. Cash on Hand (Petty Cash)		
11. Total Cash on Hand and on Deposit (Report #1, Part A, Line 1)		20,872

SCHEDULE A-2 RESTRICTED ASSETS

1	2	3
Name of Depository (List all accounts even if closed during period)	Account Number	Balance*
12. Wells Fargo Bank	7401030528	50,000
13.		
14.		
15.		
16.		
17.		
18.		
19. Total Restricted Assets		50,000

* Indicate the Balance Per the HMO's Records

STATEMENT AS OF 9-30-2002 OF 933-0052 Liberty Dental Plan of California Inc.

SCHEDULE C - PREMIUMS RECEIVABLE (Other than Affiliates)

Individually list all debtors (commercial only) with account balances greater than 5% of gross Premiums Receivable

1	2	3	4	5
Name of Debtor	31-60 Days	61-90 Days	Over 90 Days	Total
1. Maxicare			15,523	15,523
2. San Diego Transit			9,172	9,172
3. Teamsters 7Up/La Costa	3,947			3,947
4. Others (Less Than 5% account balances)	457		423	880
5.				0
6.				0
7.				0
8.				0
9.				0
10.				0
11.				0
12.				0
13.				0
14.				0
15.				0
16.				0
17.				0
18.				0
19.				0
20.				0
21.				0
22.				0
23.				0
24.				0
25.				0
26.				0
27.				0
28.				0
29.				0
30.				0
31.				0
32.				0
33.				0
34.				0
35.				0
36.				0
37.				0
38.				0
39.				0
40.				0
41.				0
42.				0
43.				0
44.				0
45.				0
46.				0
47.				0
48.				0
49.				0
50.				0
51.				0
52.				0
53.				0
54.				0
55. Total - Individual Listed Receivables	4,404	0	25,118	29,522

STATEMENT AS OF 9-30-2002 OF 933-0052 Liberty Dental Plan of California Inc.

SCHEDULE D
HEALTH CARE RECEIVABLES &
AMOUNTS DUE FROM PARENT, SUBSIDIARIES, AND AFFILIATES

Individually list all debtors with account balances greater than 10% of gross Receivables

1	2	3	4	5
Name of Debtor	31-60 Days	61-90 Days	Over 90 Days	Total
1.				0
2.				0
3.				0
4.				0
5.				0
6.				0
7.				0
8.				0
9.				0
10.				0
11.				0
12.				0
13.				0
14.				0
15.				0
16.				0
17.				0
18.				0
19.				0
20.				0
21.				0
22.				0
23.				0
24.				0
25.				0
26.				0
27.				0
28.				0
29.				0
30.				0
31.				0
32.				0
33.				0
34.				0
35.				0
36.				0
37.				0
38.				0
39.				0
40.				0
41.				0
42.				0
43.				0
44.				0
45.				0
46.				0
47.				0
48.				0
49.				0
50.				0
51.				0
52.				0
53.				0
54.				0
55. Total - Individual Listed Receivables	0	0	0	0

STATEMENT AS OF 9-30-2002 OF 933-0052 Liberty Dental Plan of California Inc.

SCHEDULE F - ACCOUNTS PAYABLE

Individually list all creditors with account balances greater than 5% of total trade accounts payable. Group the total of all other payables and enter on the line titled, "Aggregate Accounts Not Individually Listed-Due." Report accounts payable from the initial date of billing or due date under contract.

	1 Name of Debtor	2 31-60 Days	3 61-90 Days	4 91-120 Days	5 Over 120 Days	6 Total
1.						0
2.						0
3.						0
4.						0
5.						0
6.						0
7.						0
8.						0
9.						0
10.						0
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17.						0
18.						0
19.						0
20.						0
21.						0
22.						0
23.						0
24.	Total - Individual Listed Payables	0	0	0	0	0

SCHEDULE G - UNPAID CLAIMS ANALYSIS
SECTION I - CLAIMS UNPAID

Type of Claim	1 Reported Claims in Process of Adjustment	2 Estimated Incurred but Unreported	3 Total - Unpaid Claims (Columns 4+5 of Section II)
1. Inpatient Claims			0
2. Physician Claims			0
3. Referral Claims	810	4,056	4,866
4. Other Medical			0
5. TOTAL	810	4,056	4,866

SECTION II - ANALYSIS OF CLAIMS UNPAID - PREVIOUS YEAR (FILE ANNUAL ONLY)

1 Type of Claim	Claims Paid During the Fiscal Year		Unpaid Claims During the Fiscal Year		6 Total Claims (Paid and Unpaid) for the Previous Fiscal Year (2+4)	7 Estimated Liability of Unpaid Claims Prior to the first day of the Prior Year
	2 On Claims Incurred Prior to the first day of the Current Fiscal Year	3 On Claims Incurred During the Fiscal Year	4 On Claims Unpaid Prior to the first day of the Previous Fiscal Year	5 On Claims Incurred During the Year		
6. Inpatient Claims					0	
7. Physician Claims					0	
8. Referral Claims					0	
9. Other Medical					0	
10. TOTAL	0	0	0	0	0	0

SECTION III - INVENTORY OF CLAIMS TO BE PROCESSED*

1 Month Ending	2 Beginning Balance Number of Claims in inventory on the 1st of each month	3 Add - Claims Received during the month	4 Deduct - Claims paid during the month	5 Deduct - Claims denied during the month	6 Add/Deduct - Adjustments	7 Ending Balance Number of claims in inventory at the end of the month
11. July 31, 2002	2	13	0	0	-9	6
12. August 31, 2002	6	21	26	0	-1	0
13. September 30, 2002	0	10	0	0	0	10
14.						0
15.						0
16.						0
17.						0
18.						0
19.						0
20.						0
21.						0
22.						0
23.						0

* Describe any significant changes reported on Schedule G, Section III in the Supplemental Schedule (Page 2).

STATEMENT AS OF 9-30-2002 OF 933-0052 Liberty Dental Plan of California Inc.

SCHEDULE H - AGING OF ALL CLAIMS

Age all claims on hand at the end of each month. Use the date of receipt to determine the number of days the claims is outstanding. The amount reported in Column 6 should equal the amount Reported on Schedule G, Section III, Column 7.

	1	2	3	4	5	6
	Month Ending	1-30 Days	31-60 Days	61-90 Days	Over 90 Days	Total
1.						
2.	July 31, 2002	4	2			6
3.	August 31, 2002	0				0
4.	September 30, 2002	10				10
5.						0
6.						0
7.						0
8.						0
9.						0
10.						0
11.						0
12.						0
13.						0

STATEMENT AS OF 9-30-2002 OF 933-0052 Liberty Dental Plan of California Inc.

SCHEDULE I - ANALYSIS OF TOTAL MEDICAL LIABILITY TO ACTUAL CLAIMS PAID

Using the Plan's Lag Tables, complete the following table. Provide claim information the current quarter and the previous seven quarters. An actuarial certification may be submitted in lieu of this schedule.

Reported Accrual				
1	2	3	4	5
Quarter Ending Date	Total Medical Liability*	Amount Paid-To-Date	Difference - Column (2-3)	Liability (Based on plan's lag table)
1. September 30, 2002	4,866	XXX	4,866	3,014
2. June 30, 2002	1,749	1,840	-91	93
3. March 31, 2002	1,603	630	973	8
4. Prev			0	
5. Prev			0	
6. Prev			0	
7. Prev			0	
8. Prev			0	

* Should tie to Report #1, Part B, Columns 1 & 2, Lines 3 through 7.

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NOTES TO FINANCIAL STATEMENTS	
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OVERFLOW PAGE FOR WRITE-INS		
1.		
2.	Aggregate Write-Ins at Item 31 for Other Administrative Expenses continued:	
3.		
4.		
	Current	YTD
5.	Bank Fees:	1,516
6.	Office Expense:	1,594
7.	Legal / Insurance / Accounting Fees:	8,134
8.	Consulting:	1,000
9.	DMHC Fees:	5,025
10.	Licenses & Fees:	451
11.	Penalties and Fines:	427
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STATEMENT AS OF 9-30-2002 OF 933-0052 Liberty Dental Plan of California Inc.

KNOX-KEENE
SUPPLEMENTAL INFORMATION
PURSUANT TO SECTIONS 1300.84.06, 1300.84.2 AND 1374.68

	1	2	3	4	5
A.	Explanation of the method of calculating the provision for incurred and unreported claims:				
1.	Estimates are based on historical claims data utilizing a plan lag table, created in accordance pursuant to section 1300.77.2				
B.	Accounts and Notes Receivable from officers, directors, owners or affiliates, as detailed below:				
	<u>Name of Debtor</u>	<u>Nature of Relationship</u>	<u>Nature of Receivable</u>	<u>Amount</u>	<u>Terms</u>
2.					
3.					
4.					
5.					
6.					
C.	Donated materials or services received by the reporting entity for the period of the financial statements, as detailed below:				
	<u>Donor's Name</u>	<u>Affiliation with Reporting Entity</u>	<u>Valuation Method</u>	<u>Amount</u>	
7.					
8.					
9.					
10.					
11.					
D.	Forgiven debt or obligations, as detailed below:				
	<u>Creditor's Name</u>	<u>Affiliation with Reporting Entity</u>	<u>Summary of How Obligation Arose</u>	<u>Amount</u>	
12.					
13.					
14.					
15.					
E.	Calculation of Tangible Net Equity (TNE) and Required TNE in accordance with Section 1300.76 of the Rules:				
16.	Net Equity			\$	427,232
17.	Add: Subordinated Debt			\$	
18.	Less: Receivables from officers, directors, and affiliates			\$	
19.	Intangibles			\$	245,985
20.	Tangible Net Equity (TNE)			\$	181,247
21.	Required Tangible Net Equity (See Page 22)			\$	50,000
22.	TNE Excess (Deficiency)			\$	131,247
F.	Percentage of administrative costs to revenue obtained from subscribers and enrollees:				
23.	Revenue from subscribers and enrollees			\$	117,202
24.	Administrative Costs			\$	124,565
25.	Percentage				106
26.	The amount of health care expenses incurred during the six month period immediately preceding the date of the report which were or will be paid to noncontracting providers or directly reimbursed to subscribers and enrollees:			\$	0
27.	Total costs for health care services for the immediately preceding six months:			\$	57,598
28.	Percentage				0

G. If the amount of health care expenses incurred during the six month period immediately preceding the date of the report which <u>were or will be</u> paid to noncontracting providers or directly reimbursed to subscribers and enrollees exceeds 10% of the total costs for health care services for the immediately preceding six months, the following information, determined as of the date of the reports, shall be provided:		1
29. Amount of all claims for noncontracting provider services received for reimbursement but not yet processed:	\$	
30. Amount of all claims for noncontracting provider services denied for reimbursement during the previous 45 days:	\$	
31. Amount of all claims for noncontracting provider services approved for reimbursement but not yet paid:	\$	
32. An estimate of the amount of claims for noncontracting provider services incurred, but not reported:	\$	
33. Compliance with Section 1377(a) as determined in accordance with such section, as follows:		
34. Cash & cash equivalents maintained	\$	20,872
35. Noncontracting provider claims (aggregate of total of items 29 - 32 above)	\$	0
36. Cash & cash equivalents reported to be maintained (120% x Line 35)	\$	0
37. Deposit required (100% of Line 36)	\$	0
38. Excess (deficient) reserves (Line 34 - Line 37)	\$	20,872
Percentage of premium revenue earned from point-of-service plan contracts:		
39. Premium revenue earned from point-of-service plan contracts	\$	
40. Total premium revenue earned	\$	
41. Percentage		
Percentage of total health care expenditures incurred for enrollees for out-of-network services for point-of-service enrollees:		
42. Health care expenditures for out-of-network services for point-of-service enrollees	\$	
43. Total health care expenditures	\$	
44. Percentage		
45. Point-of-Service Enrollment at end of period		
Total Ambulatory encounters for period for point-of-service enrollees:		
46. Physician		
47. Non-Physician		
48. Total		0
49. Total Patient Days Incurred for Point-of-Service enrollees		
50. Annualized Hospital Days/1000 for Point-of-Service enrollees		0
51. Average Length of Stay for Point of Service enrollees		0
52. Compliance with Section 1374.68(a) as follows:		
53. Current Monthly Claims Payable for out-of-network coverage or services provided under Point-of-Service Contracts:	\$	
54. Current monthly incurred but not reported claims balance for out-of-network coverage or services provided under Point-of-Service contracts	\$	
55. Total	\$	0
56. Total times 120%	\$	0
57. Deposit (Greater of Line 56 or minimum of \$200,000)	\$	

STATEMENT AS OF 9-30-2002 OF 933-0052 Liberty Dental Plan of California Inc.

REQUIRED TANGIBLE NET EQUITY (TNE) CALCULATION:

TNE required must be equal to the GREATER of "A" "B" or "C" below (See Rule 1300.76)

		Full Service Plans		Specialized Plans	
		1		2	
A.	Minimum TNE Requirement	\$ 1,000,000		Minimum TNE Requirement	\$ 50,000
B.	REVENUES:				
1.	2% of the first \$150 million of annualized premium revenues	\$		2% of the first \$7.5 million of annualized premium revenue	\$ 21,800
	Plus			Plus	
2.	1% of annualized premium revenues in excess of \$150 million	\$		1% of annualized premium revenue in excess of \$7.5 million	\$
3.	Total	\$ 0		Total	\$ 21,800
C.	HEALTHCARE EXPENDITURES:				
4.	8% of the first \$150 million of annualized health care expenditures, except those paid on a capitated or managed hospital basis.	\$		8% of the first \$7.5 million of annualized health care expenditures, except those paid on a capitated or managed hospital basis.	\$
	Plus			Plus	
5.	4% of annualized health care expenditures in excess of \$150 million except those paid on a capitated or managed hospital payment basis.	\$		4% of annualized health care expenditures in excess of \$7.5 million except those paid on a capitated or managed hospital payment basis.	\$
	Plus			Plus	
6.	4% of the annualized hospital expenditures paid on a managed hospital payment basis.	\$		4% of the annualized hospital expenditures paid on a managed hospital payment basis.	\$ 16,568
7.	Total	\$ 0		Total	\$ 16,568
8.	Required "TNE" - Greater of "A" "B" or "C"	\$		Required "TNE" - Greater of "A" "B" or "C"	\$ 50,000

**KNOX -KEENE
SUPPLEMENTAL INFORMATION
PURSUANT TO SECTIONS 1374.64**

POINT OF SERVICE TANGIBLE NET EQUITY CALCULATION

Calculation of Tangible Net Equity and required Tangible Net Equity in accordance with Section 1374.64:

	1	
1. Net Equity	\$	427,232
2. Add: Subordinated Debt	\$	
3. Less: Receivables from officers, directors, and affiliates	\$	
4. Intangibles	\$	
5. Tangible Net Equity (TNE)	\$	427,232
6. Required Tangible Net Equity (From Line 10 or 13 below)	\$	
7. TNE Excess (Deficiency)	\$	427,232
ADJUSTED MINIMUM TANGIBLE NET EQUITY CALCULATION (Complete Section I or II):		
I. Plan is required to have and maintain TNE as required by Rule 1300.76 (a)(1) or (2):		
8. Minimum TNE as calculated under Rule 1300.76 (a)(1) or (2)	\$	
9. 10% of annualized health care expenditures for out-of-network service for point-of-service enrollees	\$	
10. Add lines 8 and 9	\$	0
II. Plan is required to have and maintain TNE as required by Rule 1300.76 (a)(3):		
<u>PART A</u>		
11. Minimum TNE as recalculated to exclude annualized healthcare expenditures for out-of-network services for point-of-service enrollees (attach worksheet Page 24)	\$	
12. 10% of annualized health care expenditures for out-of-network services for point-of-service enrollees	\$	
13. Add lines 11 and 12	\$	0
III. MINIMUM TNE REQUIREMENT TO DETERMINE MONTHLY REPORTING		
14. Multiply Line 5 (above) by 130%	\$	555,402
15. Multiply Line 6 (above) by 130%	\$	0
16. Difference (Line 14 - Line 15)	\$	555,402
If Line 14 is less than Line 15, then monthly reporting is required		

STATEMENT AS OF 9-30-2002 OF 933-0052 Liberty Dental Plan of California Inc.

WORKSHEET FOR ADJUSTED TANGIBLE NET EQUITY CALCULATION

	1 Full Service Plans	2 Specialized Plans
1. Health care expenditures for period	\$ <input type="text"/>	\$ <input type="text"/>
Less:		
2. Capitated or managed hospital payment basis expenditures	<input type="text"/>	<input type="text"/>
3. Health care expenditures for out-of-network services for point-of-service enrollees	<input type="text"/>	<input type="text"/>
4. Result	<input type="text" value="0"/>	<input type="text" value="0"/>
5. Annualized	<input type="text"/>	<input type="text"/>
6. Reduce to maximum of \$150 million	<input type="text"/>	<input type="text"/>
7. Multiply by 8%	\$ <input type="text" value="0"/>	\$ <input type="text" value="0"/>
Plus		
8. Annualized health care expenditures except those paid on a capitated or managed hospital payment basis and excluding health care expenditures for out-of-network services for point-of-service enrollees	\$ <input type="text"/>	\$ <input type="text"/>
9. Less \$150 million	<input type="text"/>	<input type="text"/>
10. Multiply by 4%	\$ <input type="text" value="0"/>	\$ <input type="text" value="0"/>
Plus		
11. Annualized hospital expenditures paid on a managed hospital payment basis and excluding health care expenditures for out-of-network services for point-of-service enrollees	\$ <input type="text"/>	\$ <input type="text"/>
12. Multiply by 4%	\$ <input type="text" value="0"/>	\$ <input type="text" value="0"/>
13. Total	\$ <input type="text" value="0"/>	\$ <input type="text" value="0"/>

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